OBSERVATION CARE

Policy Number: ADMINISTRATIVE 205.14 T0
Effective Date: April 1, 2020

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Applicable Lines of Business/Products

This policy applies to Oxford Commercial plan membership.

Benefit Type

General Benefits Package

Referral Required

(Does not apply to non-gatekeeper products)

No

Authorization Required

(Precertification always required for inpatient admission)

No

Precertification with Medical Director Review Required

No

Applicable Site(s) of Service

Outpatient

If site of service is not listed, Medical Director review is required.

COVERAGE RATIONALE

Oxford reserves the right to review observation care in order to substantiate that the services were provided in accordance with MCG™ Care Guidelines. Review may occur on a prospective, concurrent and/or retrospective basis. For information regarding medical necessity review, when applicable, see MCG™ Care Guidelines, 24th edition, 2020, General Criteria: Observation Care (OCG): OC-022 (ISC).

Click here to view the MCG™ Care Guidelines.

Note:

- For additional information regarding coding and documentation for observation care services, refer to the Reimbursement Policy titled Observation and Discharge.
- Observation time begins at the clock time, documented in the patient's record, which coincides with the time that observation care is initiated in accordance with a physician's order for observation services. Observation time ends when all clinical or medical interventions have been completed, including follow-up care furnished by hospital staff and physicians that may take place after a physician has ordered the patient be released or admitted as an inpatient.

REFERENCES

The foregoing Oxford policy was researched, developed and approved by UnitedHealthcare Medical Technology Assessment Committee and approved on February 6, 2020.


### POLICY HISTORY/REVISION INFORMATION

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| 04/01/2020 | **Coverage Rationale**  
- Replaced reference to "MCG™ Care Guidelines, 23rd edition, 2019" with "MCG™ Care Guidelines, 24th edition, 2020"; refer to the 24th edition for complete details on applicable updates to the MCG™ Care Guidelines  
- Revised notation pertaining to observation time to indicate:  
  o Observation time begins at the clock time, documented in the patient's record, which coincides with the time that observation care is initiated in accordance with a physician's order for observation services  
  o Observation time ends when all clinical or medical interventions have been completed, including follow-up care furnished by hospital staff and physicians that may take place after a physician has ordered the patient be released or admitted as an inpatient  

**Supporting Information**  
- Updated References section to reflect the most current information  
  o Replaced reference to "MCG™ Care Guidelines, 23rd edition, 2019" with "MCG™ Care Guidelines, 24th edition, 2020"  
- Archived previous policy version ADMINISTRATIVE 205.13 T0 |

### INSTRUCTIONS FOR USE

This Clinical Policy provides assistance in interpreting UnitedHealthcare Oxford standard benefit plans. When deciding coverage, the member specific benefit plan document must be referenced as the terms of the member specific benefit plan may differ from the standard plan. In the event of a conflict, the member specific benefit plan document governs. Before using this policy, please check the member specific benefit plan document and any applicable federal or state mandates. UnitedHealthcare Oxford reserves the right to modify its Policies as necessary. This Clinical Policy is provided for informational purposes. It does not constitute medical advice.

The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members.

UnitedHealthcare may also use tools developed by third parties, such as the MCG™ Care Guidelines, to assist us in administering health benefits. UnitedHealthcare Oxford Clinical Policies are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.